



21 September 2023

A New Chapter of Low-carbon Energy: Celebrating Hong Kong's First Offshore LNG Terminal

CLP Power Hong Kong Limited (CLP Power) and The Hongkong Electric Co., Ltd (HK Electric) today (21 September) held an opening ceremony for the Hong Kong Offshore Liquefied Natural Gas (LNG) Terminal, marking a new chapter in low-carbon power generation. The operation of the terminal has enhanced Hong Kong's fuel supply stability by the addition of a new supply source for natural gas, facilitating the city's energy transition.

The ceremony was officiated by the Chief Executive of the Hong Kong Special Administrative Region (HKSAR) the Honourable John KC Lee, Secretary for Environment and Ecology the Honourable Tse Chin-wan, CLP Holdings Chairman the Honourable Sir Michael Kadoorie and CK Hutchison Holdings Limited Chairman Mr Victor TK Li.

Speaking at the ceremony, CLP Holdings Chairman the Honourable Sir Michael Kadoorie said, "The construction of the offshore LNG terminal took place in the midst of the pandemic, exemplifying Hong Kong's engineering prowess and our city's can-do spirit. Being the first of its kind in Hong Kong, the offshore LNG terminal bears great significance in supporting the city's energy transition to achieve carbon neutrality by 2050."

He added, "CLP Power and HK Electric have been serving Hong Kong for over a century. This new terminal signifies a proud collaboration between us to support Hong Kong's energy development. We would like to take this opportunity to express our greatest gratitude to the many parties who helped make this engineering wonder possible – our business partners, marine experts, engineers, technicians, construction workers, and HK Electric and CLP Power colleagues. Our thanks also go to the Hong Kong SAR Government for developing visionary environmental policies that galvanise the collective efforts of the electricity sector and the bigger community, and to different government departments for facilitating the construction of this rather complicated project."

Chief Executive of the HKSAR the Honourable John KC Lee said, "A secure and stable energy supply not only supports the smooth operation of society but also serves as the foundation for high-quality economic development." He described the significance of the completion and official operation of the offshore LNG terminal as being three-fold: "During the construction phase, the project team encountered significant challenges, including adverse weather conditions, the pandemic, and fairway design etc. Through collective efforts, they successfully overcame these obstacles and completed the project." He expressed, "This spirit of unity and collaboration to build Hong Kong together is precisely the 'Bauhinia Spirit' that we take pride in."

Furthermore, he highlighted the potential synergies between the offshore LNG terminal and maritime development, which can contribute to strengthening Hong Kong's position as an international maritime hub. "The Government has established a joint working group to facilitate the supply of LNG to ocean-going vessels in Hong Kong, including exploring the use of this newly completed terminal for vessel refuelling."

He further pointed out, "Energy crises and supply constraint caused by international geopolitical factors bring uncertainty to energy security and stability. This terminal diversifies and enhances the reliability of Hong Kong's gas supply while enabling power generation to reduce emissions."

Jointly developed and constructed by the two power companies since 2020, Hong Kong Offshore LNG Terminal is located to the east of the Soko Islands and went into service in July 2023. The Bauhinia Spirit is the world's largest FSRU vessel and has an LNG storage capacity of 263,000 cubic metres. It is moored at the jetty of the terminal to receive, store, and regasify LNG before the natural gas is sent by two separate subsea pipelines to CLP Power's Black Point Power Station and HK Electric's Lamma Power Station.

The terminal gives the power companies direct access to international LNG markets and provides a long-term alternative fuel source to meet Hong Kong's generation needs. It also strengthens the companies' supply reliability, and ability to source competitively-priced gas for the benefit of customers and Hong Kong as a whole.

Appendix: [Facts about the Hong Kong Offshore LNG Terminal](#)

About CLP Power Hong Kong Limited

CLP Power Hong Kong Limited (CLP Power) is the Hong Kong utility subsidiary wholly owned by CLP Holdings Limited, a company listed on the Hong Kong Stock Exchange and one of the largest investor-owned power businesses in Asia. CLP Power operates a vertically integrated

electricity supply business in Hong Kong, and provides a highly reliable supply of electricity and excellent customer service to more than six million people in its supply area.

About HK Electric

HK Electric has been powering Hong Kong for more than 130 years, providing a reliable and clean electricity supply to customers on Hong Kong and Lamma Islands. HK Electric has been constructing new gas-fired generating units to replace coal-fired generation as part of its decarbonisation strategy.

About Hong Kong LNG Terminal Limited

Hong Kong LNG Terminal Limited (HKLTL) is a joint venture of Castle Peak Power Company Limited (CAPCO) and The Hongkong Electric Co., Ltd. (HK Electric). HKLTL develops, owns and operates a liquefied natural gas (LNG) terminal in Hong Kong and provides LNG regasification and related services to CAPCO and HK Electric.

**CAPCO is a 70:30 joint venture of CLP Power and China Southern Power Grid International (HK) Co., Limited, a wholly owned subsidiary of China Southern Power Grid Company Limited.*

Photo captions:

Photo 1



Chief Executive of the HKSAR the Honourable John KC Lee (second from left) joins CLP Holdings Chairman the Honourable Sir Michael Kadoorie (second from right), CK Hutchison Holdings Limited Chairman Mr Victor TK Li (left), and Secretary for Environment and Ecology the Honourable Tse Chin-wan (right) at an opening ceremony for the Hong Kong Offshore LNG Terminal. The new terminal is a milestone in increasing low-carbon power generation by the two power companies in support of Hong Kong's energy transition.

Photo 2



Chief Executive of the HKSAR the Honourable John KC Lee says the terminal will help Hong Kong reduce its carbon emissions, and ensure a more reliable and diversified fuel supply.

Photo 3



CLP Holdings Chairman the Honourable Sir Michael Kadoorie says the offshore LNG terminal has great significance in supporting the city's energy transition and efforts to achieve carbon neutrality by 2050.

Photo 4



Officiating guests join directors and the management teams of both power companies for a group photo. (From left) HK Electric Managing Director Mr Francis C.Y. Cheng, HK Electric Investments Limited Non-executive Director Mr Ronald Arculli, CK Hutchison Holdings Limited Chairman Mr Victor TK Li, HKSAR Chief Executive the Honourable John KC Lee, CLP Holdings Chairman the Honourable Sir Michael Kadoorie, Secretary for Environment and Ecology the Honourable Tse Chin-wan, CLP Power Chairman Mrs Betty Yuen, and CLP Holdings Chief Executive Officer - Designate Mr T.K. Chiang.

Photo 5



A group of junior engineers poses for a photo with the guests, signifying the collaboration to build a better future. (From left to right in the front row) HK Electric Managing Director Mr Francis C.Y. Cheng, HK Electric Investments Limited Non-executive Director Mr Ronald Arculli, CK Hutchison Holdings Limited Chairman Mr Victor TK Li, HKSAR Chief Executive the Honourable John KC Lee, CLP Holdings Chairman the Honourable Sir Michael Kadoorie, Secretary for Environment and Ecology the Honourable Tse Chin-wan, CLP Power Chairman Mrs Betty Yuen, and CLP Holdings Chief Executive Officer - Designate Mr T.K. Chiang. (From left to right in the back row) HK Electric Investments Limited Independent Non-executive Director Mr Francis Lee, HK Electric Director and Co-General Manager (Transmission & Distribution) Mr Wang Yuanhang from State Grid Corporation of China, Convenor of the Non-official Members of the Executive Council the Honourable Mrs Regina Ip, CLP Holdings Vice-chairman Mr Andrew Brandler, Deputy Commissioner of the Ministry of Foreign Affairs of the People's Republic of China in the HKSAR Mr Fang Jianming, CLP Holdings Non-executive Director Mr Philip Kadoorie, China Southern Power Grid International Limited Vice President Mr Zhang Tanzhi, and CLP Power Managing Director Mr Joseph Law.

Photo 6



The Hong Kong Offshore LNG Terminal, jointly developed and constructed by CLP Power and HK Electric, has begun operations. The photo shows an LNG shipment arriving at the terminal. The LNG was unloaded from the vessel on the left to the floating storage and regasification unit (FSRU) vessel, the Bauhinia Spirit, for regasification. Natural gas is then transported through two subsea gas pipelines to CLP Power's Black Point Power Station and HK Electric's Lamma Power Station for power generation.

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